

## Message Text

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TO ALL EAST ASIAN AND PACIFIC DIPLOMATIC POSTS

AMEMBASSY MOSCOW

AMEMBASSY LONDON

AMEMBASSY PARIS

INFO CINCPAC

COGUARD

TREASURY

GOV GUAM

UNCLAS STATE 170364

ATTN PARIS FOR MARK PRATT

E.O. 11652: N/A

TAGS: SOPN, XC, US

SUBJECT: JULY 21 EA PRESS SUMMARY

### 1. CHINA

REUTER (PEKING) REPORTS WALL POSTERS APPEARED IN CAPITAL  
THURS ANNOUNCING "GANG OF 4" HAS BEEN EXPELLED FROM CCP,  
BY DECISION OF PARTY CENTRAL CMTE'S THIRD PLENUM WHICH  
BELIEVED TO HAVE MET LAST WEEKEND. POSTERS, LATER  
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PLASTERED OVER, ALSO HAILED PLENUM'S "WISE DECISION" TO  
RESTORE TENG HSIAO-PING TO ALL HIS POSTS, INSIDE/OUTSIDE  
PARTY.

TASS REPORTS MOSCOW ARRIVAL WEDNESDAY OF PRC DEPUTY FOREIGN  
TRADE MINISTER CHEN TSE TO SIGN "TRADE AND PAYMENTS"  
AGREEMENT WITH SOVIET. WESTERN DIPLOMATS SAID THEY  
EXPECTED VISIT TO BE ROUTINE ONE (JOC).

### 2. INDOCHINA

UNSC WEDNESDAY UNANIMOUSLY ENDORSED SRV ADMISSION TO UN (CSM), THO HANOI REP DINH BA THI ALSO CRITICIZED US FOR REFUSING PROVIDE POSTWAR AID (UPI, CHITRIB; AP PHINQ, SUN). FORMAL VOTE BYPASSED TO SPARE US EMBARRASSMENT. MOVE CLEARS WAY FOR SRV ADMISSION TO UNGA (CARTER, NYDN). LAOS' DELEGATE SAYS HIS NATION WILL SUPPORT SRV'S EFFORT GET RECONSTRUCTION AID FROM US; ADDS VIENTIANE READY IMPROVE RELS W/US ONCE RECEIVES US MONEY TO REBUILD (LESCAZE, WP). SRV USED OCCASION TO PUSH DEMANDS FOR US AID. TELTSCH (NYT) QUOTES US DIPLOMATS THAT THI'S SPEECH RESTRAINED IN TONE, THO IT UNDERSCORED CONTENTION US OBLIGATED PROVIDE RECONSTRUCTION AID.

REP WOLFF (D-NY) LAUNCHES BID FOR HIRC SUBCMTE ON ASIAN AND PACIFIC AFFAIRS TO STUDY US POLICY DURING VN WAR. PLANS FORMAL DISCUSSION NEXT WK (MARDER, WP).

### 3. THAILAND

TEACHER GIVEN 3-YR PRISON SENTENCE BY MIL COURT FOR "INSULTING" KING (REUTER BANGKOK).

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THREE THAI TROOPS KIA IN CLASH W/KR SOLDIERS NEAR CAMBODIAN BORDER. RTG SPOKESMAN SAYS KR TRYING "LIBERATE" DISTRICT IN PRACHINBURI PROV IN COLLABORATION W/COMMUNIST GUERRILLAS (REUTER BANGKOK).

### 4. JAPAN

JAPAN AGREES DISCUSS TRADE/ECON/INTL MONETARY PROBLEMS W/US, SUGGESTS TALKS BEGIN 9/12. NO SPECIFIC AGENDA WORKED OUT FOR TALKS, REQUESTED BY US FOLLOWING CONCERN OVER JAPAN'S GROWING TRADE SURPLUS (REUTER TOKYO; CULLISON, JOC).

IN ITEM ON MANSFIELD'S 7/19 SPEECH TO JAPANESE RESEARCH INSTITUTE, LAT'S JAMESON (7/20) NOTES AMB NAMED JAPAN'S TRADE SURPLUS CONTRIBUTING FACTOR TO GROWTH PROTECTIONIST SENTIMENT IN US/WARNED FRICTION COULD DEVELOP OVER EXPORTS STEEL/AUTOS/OTHER PRODUCTS.

CULLISON REPORTS FUKUDA REPORTEDLY TOLD CHRMN LDP POLICY AFFAIRS RESEARCH COUNCIL WEDNESDAY THAT PLANNED PKG ECON STIMULANTS WILL INCLUDE FISCAL/MONETARY MEASURES, PLUS LARGE SUPPLEMENTARY BUDGET FEATURING ADDITIONAL PUBLIC WORKS EXPENDITURES.

LONDON-BASED COUNCIL OF EUROPEAN/JAPANESE NATL SHIPOWNERS' ASSNS ISSUED STATEMENT 7/20 EXPRESSING DISQUIET OVER CARTER

BACKING FOR US MOVE LIMIT SOME OIL IMPORTS TO US TANKERS.  
GROUP INTENDS GIVE EVIDENCE AGAINST PLANNED LEGISLATION  
BEFORE CONGRESS, SAID "NOT TOO LATE FOR WISER COUNCILS  
TO PREVAIL" (REUTER LONDON 7/20).

SUN'S SEIDEN (TOKYO) DOES ITEM ON CONTROVERSIAL EXPOSE,  
"WHY IS BEEF EXPENSIVE?" AUTHOR/MUCKRAKER YOKOTA CLAIMS  
MEAT MARKET RUN W/BRIBES, PROTECTIONISM, KEEPING TOP  
JAPANESE BEEF AT 40 DOLS/LB.  
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TRANSPORT MINISTRY REPORT SAYS FIVE VESSELS MADE STRONG  
INROADS INTO JAPAN'S SHIPPING INDUSTRY IN FY76, CARRYING  
33.8 PCT JAPAN'S '76 EXPORTS (WP).

5. JAPAN/AUSTRALIA

AUSTRALIA/JAPAN FRIENDSHIP/COOPERATION TREATY RATIFIED  
IN CANBERRA 7/21. TREATY SIGNED IN TOKYO LAST YR BY  
FRASER/MIKI, WILL COME INTO FORCE 8/20 (REUTER CANBERRA).

6. AUSTRALIA

EIGHT GROUPS, COMPRISING MOST OF WORLD'S MAJOR OIL FIRMS,  
HAVE APPLIED FOR 5 BLOCKS ON AUSTRALIA'S EXMOUTH PLATEAU.  
ACREAGE BEYOND CURRENT OFFSHORE TECHNOLOGY, THUS APPLICA-  
TIONS TEND CONFIRM OFFICIAL ASSESSMENTS MAY BE ONE OF  
BEST OIL-PROSPECTIVE AREAS IN WORLD (JOC).

AFTER 70 YRS' PLANNING, AUSTRALIAN METHODIST/PRESBYTERIAN/  
CONGREGATIONALIST CHURCHES HAVE MERGED IN NEW GROUP KNOWN  
AS UNITING CHURCH (CSM SYDNEY).

7. PHILIPPINES

DEPT OF COM TRADE PLANS ORGANIZE TRADE MISSION TO PROMOTE  
PHILIPPINE-AMERICAN ECON/TRADE RELS. BUREAU MENTIONED SPECIFICALLY  
ARGENTINA/BRAZIL/CHILE/ECUADOR AS TARGET COUNTRIES (UPI,  
JOC).

8. KOREA

MAJOR COVERAGE ON NEWS ITEM THAT FORMER WATERGATE PROSECU-  
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TOR LEON JAWORSKI HAS AGREED REPLACE LACOVARA AS SPECIAL  
COUNSEL IN ETHICS COMMITTEE INVESTIGATION INTO SKOREAN INFLUENCE  
BUYING. JAWORSKI SAID HE WAS PROMISED FREE HAND "RE-  
GARDLESS OF WHO IT WOULD HURT" (CLYMER, NYT; BABCOCK/RUS-  
SELL, WP; SARRO/TAYLOR, WSTAR; VOLZ, NYDN; OLSON, SUN;

AP PHINQ).

US-SK SIGNED AGREEMENT IN SEOUL 7/21 FOR SALE 410,000  
TONS US WHEAT WORTH 43.8 MIL DOLS. SK HAS 40 YRS TO  
PAY (REUTER SEOUL).

CONSORTIUM 4 SWISS BANKS ANNOUNCES 155-MIL-DOL LOAN  
TO SK SO IT CAN PURCHASE 3 POWER GENERATORS FROM SWISS  
FIRM (UPI, JOC).

HARRIS POLL (CHITRIB) ON HOW PUBLIC RATES CARTER FINDS  
PEOPLE SUPPORT W/DRAWAL PLAN 53-TO-28 PCT; APPROVE REMOVAL  
GEN SINGLAUB 42-TO-36 PCT.

BODIES 3 SOLDIERS SHOT DOWN IN COPTER OVER NK WILL BE  
RETURNED/MET W/FULL HONORS AT CALIF'S TRAVIS AFB 7/21  
(WP).

#### 9. GENERAL

PRES CARTER PROCLAIMS THIS WK AS CAPTIVE NATIONS WEEK.  
ACTION BASED ON RESOLUTION ADOPTED BY CONGRESS IN 1959 TO  
EMPHASIZE DISAPPROVAL USSR TAKEOVER BALTIC STATES/EMER-  
GENCE COMMUNIST GOVTS IN CHINA/NK/NVN/OTHER COUNTRIES (REU-  
TER, NYT).

#### COMMENT AND ANALYSIS

#### 10. JAPAN

WSJ REVIEWS JAPANESE ELECTION RESULTS, NOTING LDP CAME  
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THRU DESPITE MANY PREDICTIONS TO CONTRARY. REMARKS  
"ONLY KARATE CHOP ANYWHERE IN EVIDENCE" WAS THAT ADMINIS-  
TERED BY VOTERS TO THOSE PARTIES THAT HOPED GAIN POWER  
IN ORDER STEER JAPAN AWAY FROM MODERATE/PRO-WEST GOVT.

#### 11. CHINA

REFERRING TO CHITRIB'S 7/6 EDIT ("THERE'S NO HURRY ON  
CHINA"), REP CRANE (D-ILL) WRITES EDITOR THAT THERE CAN BE  
NO BETTER WORDS OF ADVICE FOR CARTER ADMIN ON CHINA  
QUESTIONS THAN "GO SLOW." SAYS ANY SUDDEN US ACTION, SUCH  
AS MIL TECHNOLOGY SALES TO PEKING, COULD VERY WELL TIP  
"SENSITIVE GALANCE WHICH EXISTS IN ASIA TODAY." ARGUES  
THAT NO WORDS OR PRONOUNCEMENT, SUCH AS VANCE'S "ASIA  
SOCIETY" "EDIT" THAT "THERE IS BUT ONE CHINA," CAN MAKE  
ONE OF "CHINAS" VANISH AND "NEED FOR REUNIFICATION  
UNNECESSARY." HOLDS THAT US SHOULD SEEK FRIENDSHIPS WITH  
BOTH PRC/ROC; BUT NORMALIZATION RELS WITH PEKING CANNOT  
BE AT PRICE OF US BREAKING DIPLOMATICALLY WITH TAIPEI/

ENDING DEFENSE TREATY WITH ROC/OR WITHDRAWAL ALL US FORCES FROM ISLAND.

JEFFREY GAYNER, DIRECTOR, "FOREIGN POLICY" OF "HERITAGE FOUNDATION," WRITES NYT THAT ITS 7/9 EDIT ("SOME SMALL STEPS TOWARD PEKING"), LIKE CARTER ADMIN, IGNORES "MOST BASIC QUESTIONS." INSISTS US SHOULD BE ABLE MAINTAIN ITS PRINCIPLES INVOLVING ROC'S "CONTINUED FREEDOM AND INDEPENDENCE,...ESPECIALLY AGAINST PROSPECTIVE PEKING AGGRESSION." MAINTAINS TAIWAN HAS NEVER BEEN UNDER COMMUNIST RULE, AND NO SOUND REASON EXISTS WHY SUCH RULE SHOULD BE IMPOSED FORCIBLY UPON PEOPLE THERE. COMPARES ROC'S ROLE AS OBSTACLE TO SINO-US SETTLEMENT WITH ISRAEL'S EXISTENCE AS OBSTACLE TO IMPROVED RELS WITH UNCLASSIFIED

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ARAB COUNTRIES.

CSM'S MORITZ (HK) NOTES EXAMPLES, AS CITED IN PRESS, OF HOW PRC USES ITS MASSES TO EXPLOIT COUNTRY'S NATURAL RESOURCES. SEES IT AS PART OF CURRENT DRIVE TO LOCATE/ DEVELOP RESOURCES, AS IMPORTANT PART OF EFFORT COMBINE SELF-RELIANCE WITH INDUSTRIAL GROWTH.

IN VIENNA, CSM'S BOURNE WRITES OF ALBANIA'S SHARP IDEOLOGICAL CRITICISM OF OLD ALLY, PRC. BUT SAYS LITTLE LIKELIHOOD OF RUPTURE IN SINO-ALBANIAN RELS.

12. KOREA

ON HELICOPTER INCIDENT, WSTAR (7/20) GRATEFUL IT WAS NOT ALLOWED DEVELOP INTO "MORE MENACING CONFRONTATION," AS THERE WAS NOTHING TO BE GAINED FROM "MORE WARLIKE POSTURING." SAYS EXPLANATION FOR NK'S "RELATIVELY RATIONAL BEHAVIOR" IN MATTER MAY BE ITS DESIRE NOT ENDANGER US W/DRAWAL, BUT THAT THEORY SHOULDN'T BE ALLOWED AFFECT US POLICY BASED ON MIL/POL REALITIES.

WP'S LARDNER DOES FRONT-PG PROFILE JAWORSKI. STATES IF "PAST IS PROLOGUE," HE WILL LEAVE NO ONE ENTIRELY SATISFIED/NO ONE PERMANENTLY ANGRY; ESTABLISHMENT FOLK WILL "CLUCK APPROVINGLY," WHILE OUTSIDERS WILL GRUMBLE HE DIDN'T DO ENOUGH. SAYS ONE THING FOR SURE, HE WILL REMAIN "LOFTILY ALOOF, INSISTING ON 'NO COMMENT'"--UNTIL HE DECIDES WRITE ANOTHER BOOK.

LAT (7/20) BELIEVES CARTER RIGHT IN REFUSING SPECIAL PROSECUTOR FOR KOREAN SCANDAL, SAYS DOJ HAS AMPLE AUTONOMY/ INVESTIGATIVE CAPACITY TO CARRY OUT JOB.

WSTAR (7/20) OPINES ETHICS CMTE CHRMN FLYNT'S REPLACEMENT IS "MINIMUM NECESSARY" TO GET INVESTIGATION ON COURSE,

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THO EVEN THAT MAY NOT RESTORE CREDIBILITY TO PROBE.  
SAYS PERHAPS HOUSE SHOULD CONSIDER LACOVARA'S SUGGESTION  
THAT "WARREN-TYPE" COMMISSON BE APPOINTED. BELIEVES  
HOUSE LEADERSHIP REACTION TO CRISIS PRECIPITATED BY  
LACOVARA'S RESIGNATION WILL GIVE PUBLIC BETTER IDEA HOW  
INTERESTED THEY ARE IN GETTING TO BOTTOM OF CHARGES.  
CHITRIB CITES ETHICS CMTE "POOR SHOWING" IN INVESTIGATIVE  
ATTEMPTS, BUT DOESN'T THINK PROBE HAS YET FAILED SO  
BADLY AS TO JUSTIFY JUNKING IT. BELIEVES CONGRESS CAN  
INVESTIGATE ITSELF, DESPITE MUCH PUBLIC OPINION TO CONTRARY.

AUTH CARTOON (PHINQ) SHOWS WORSHIPFUL PUBLIC KISSING  
HANDS HUGE MAN LABELED "CONGRESS," OVER HEAD OF WHOM  
IS SHINING HALO MARKED, "WATERGATE"--BUT "CONGRESS"  
HAS DEVIL'S TAIL LABELED, "KOREA."

FLANNERY CARTOON (SUN) SHOWS COP ARRESTING MAN W/BRIEFCASE  
MARKED, "KOREAN SCANDALS." ABOVE, NIXON LOOKS OVER  
HIGH BRICK WALL IN SAN CLEMENTE, W/ADVICE, "STONEWALL  
IT, BUDDY."

#### 13. INDOCHINA

ANDERSON/WHITTEN (WP) NOTE UPROAR OVER HUMAN RTS IGNORES  
DICTATORSHIP MORE OPPRESSIVE THAN HITLER'S--KR REGIME IN  
CAMBODIA. REVIEW DEATHS/ENSLAVEMENT POPULATION/SUCCESS  
AT HIDING HORRORS FROM WORLD THAT FORM PART CAMPAIGN TO  
REMAKE KHMER SOCIETY FROM GROUND UP.

SIMONS (WP BANGKOK) WONDERS WHETHER LAOS IS SUPPLICANT/  
SERVANT TO SRV. MENTIONS 25-YR FRIENDSHIP TREATY SIGNED  
THIS WK, PRESENCE 40,000 SRV TROOPS IN LAOS. ADDS TREATY  
SPECIFICALLY ATTACKS THAILAND'S ANTI-COMMUNIST GOVT FOR  
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POLICIES ALLEGEDLY HOSTILE TO SRV/LAOS.

#### 14. INDOCHINESE REFUGEES

REPS FISH/RODINO/EILBERG OF HOUSE JUDICIARY CMTE WRITE WP  
TO DESCRIBE RELATIONSHIP BETW CONGRESS/EXEC BRANCH RE  
ADMISSION REFUGEES. NOTE NO FORMAL RECOMMENDATION YET  
RECEIVED BY DOJ FOR PAROLE ADDITIONAL REFUGEES OVER  
150,000 ALREADY ADMITTED, SO ALL THEY KNOW ABOUT 15,000  
ADDITIONAL REFUGEES IS WHAT READ IN PAPERS. RESENT  
IMPLICATION/SUGGESTION IN WP EIDT THAT CONGRESS/HOUSE  
JUDICIARY CMTE IMPEDING ADMISSION BOAT REFUGEES. EMPHASIS  
NEED LEGISLATE ORDERLY/UNIFORM PROCEDURES FOR ADMITTING

REFUGEES. ADD THEY NEVER HAVE SUGGESTED US RESPONSE TO  
REFUGEES SHOULD AWAIT OUTCOME PROPOSED LEGISLATION; BOTH  
CAN GO ON AT SAME TIME.

15. TRADE POLICY

CSM OPINES 3RD WORLD STANDS ON FIRM GROUND IN PUSH FOR  
BETTER TRADING TERMS. NOTES "ORDERLY MARKETING ARRANGE-  
MENTS" NEGOTIATED BY US W/SK/TAIWAN/JAPAN. POINTS OUT  
HI UNEMPLOYMENT IN INDUSTRIALIZED NATIONS LEADS TO TRADE  
RESTRICTIONS. CALLS FOR EDUCATING PUBLIC IN GLOBAL  
ECONOMICS/AWARENESS TRADE HELPS CONTROL INFLATION. ALSO  
CITES NEED HELP INDUSTRIES HURT BY IMPORTS. CALLS FORTU-  
NATE BROAD GOAL SET AT CURRENT UN NEGOTS AT GENEVA TO  
EXPAND/LIBERALIZE TRADE MORE.

16. GENERAL

LAT PUBLISHER CHANDLER (7/20) SOUNDS OFF ON INCREASING  
HOSTILITY OF MANY 3RD WORLD NATIONS TO W MEDIA/NEWSMEN,  
AND BARRIERS BEING ERECTED VS LEGITIMATE PROCESS OF  
REPORTING NEWS. NOTES EXCLUSION US RESIDENT CORRESPONDENTS  
FROM PRC. POINTS TO DENIAL ACCESS INFO AS EFFECTIVE METHOD  
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CONTROL NEWS FLOW. REVIEWS SITUATION IN SEVERAL COUNTRIES.  
STATES THAT IN SEA CORRESPONDENTS' LIFE BECAME MORE DIFFI-  
CULT FOLLOWING DEFEAT NON-COMMUNIST INDOCHINESE COUNTRIES;  
W NEWSMEN VIRTUALLY BANNED IN CAMBODIA/SRV/LAOS; PRESSURE  
INCREASED, THO STILL RELATIVELY FREE IN THAILAND/INDONESIA/  
SINGAPORE/PHILS. VANCE

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